

Grantee: Tucson, AZ

Grant: B-11-MN-04-0507

October 1, 2014 thru December 31, 2014 Performance Report



Grant Number:

B-11-MN-04-0507

Obligation Date:**Award Date:****Grantee Name:**

Tucson, AZ

Contract End Date:**Review by HUD:**

Submitted - Await for Review

Grant Award Amount:

\$2,083,771.00

Grant Status:

Active

QPR Contact:

Joyce Alcantar

LOCCS Authorized Amount:

\$2,083,771.00

Estimated PI/RL Funds:

\$600,000.00

Total Budget:

\$2,683,771.00

Disasters:**Declaration Number**

NSP

Narratives**Summary of Distribution and Uses of NSP Funds:**

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

July 26, 2012: Substantial amendment approved May 2012, adding to the target area of greatest need. This area covers Campbell and Irvington, east to Country Club, south to Drexel, west to Campbell and north back to Irvington.

January 08, 2013: Substantial amendment approved by City of Tucson Mayor and Council (and forwarded and approved by HUD field office) to add the following census tracts, increasing the target area with the greatest need:

4019004104 AZ

4019002505 AZ

4019002506 AZ

How Fund Use Addresses Market Conditions:

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- > code enforcement efforts (within the department is a Code Enforcement Division)
- > HOME dollars (proposals could be sought for rental or homeownership projects)
- > Human services program funding (both CDBG and City funding)
- > Home rehabilitation funding (federal funding sources)
- > Historic preservation efforts (the City's Historic Preservation Office is within this department)
- > Down payment assistance (federal sources)

>The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

Ensuring Continued Affordability:

Rental units will be rented through the City of Tucson El Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.



Definition of Blighted Structure:

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance and Redevelopment (1471). (2) and (18) "Blighted Area" and "Slum Area". The City of Tucson will not set aside any NSP 3 funding for demolition.

Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

Housing Rehabilitation/New Construction Standards:

The City of Tucson's NSP Rehabilitation Standards can be found at the following link:

<http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>

>In addition, the City will, at a minimum, meet the City's Bronze certification for green rehabilitation, which meets all HUD requirements.

See link here to City of Tucson Residential Green Building Rating System:

><http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

Vicinity Hiring:

>The City of Tucson will follow the Section 3 regulations and the City's Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

Grantee Contact Information:

Tom Ingram

,
Housing Manager

,
tom.ingram@tucsonaz.gov

,
310 N. Commerce Park Loop

,
Tucson, AZ 85745

,
520-837-5345

,

,
Joyce M. Alcantar

,
Project Coordinator

,
joyce.alcantar@tucsonaz.gov

,
310 N. Commerce Park Loop

,
Tucson, AZ 85745

,
520-837-5329

,

Overall

Total Projected Budget from All Sources

Total Budget

Total Obligated

Total Funds Drawdown

Program Funds Drawdown

This Report Period

N/A

\$136,000.17

\$119,562.54

\$8,927.78

\$0.00

To Date

\$2,683,771.00

\$2,683,771.00

\$2,612,785.30

\$2,200,505.48

\$1,948,049.25



Program Income Drawdown	\$8,927.78	\$252,456.23
Program Income Received	\$119,562.54	\$529,014.30
Total Funds Expended	\$56,085.73	\$2,256,591.21
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$312,565.65	\$0.00
Limit on Admin/Planning	\$208,377.10	\$187,817.47
Limit on State Admin	\$0.00	\$187,817.47

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$208,377.10	\$214,777.08

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$520,942.75	\$650,942.75

Overall Progress Narrative:

NSP3 - The following is progress thru December 31, 2014:

Original NSP3 grant funds have been expended, leaving Program Income to be utilized for additional home purchases and rehabilitation work.

The City of Tucson has completed the task of purchasing homes within the NSP3 boundaries, then conveying to the Pima County Community Land Trust (PCCLT) for the rehabilitation and sale to qualified buyers.

No Additional homes were purchased by the City of Tucson this quarter.

NSP1 Program Income funds were used to purchase the final 3 homes last quarter (July - September 2014) for the NSP1 program. The cost of purchasing the homes exceeded the amount available to complete the rehabilitation work for the 3 homes. The following addresses were purchased with NSP1 Program Income (last quarter), but because they are also located within the NSP3 boundaries, costs for the rehabilitation work will be paid for out of the NSP 3 budget. Addresses are:

6079 S. Avenue De La Chandelle, Tucson, AZ 85746

>1448 W. Argyle, Tucson, AZ 85746

>1932 W. Nava Drive, Tucson, AZ 85746

The City will not be purchasing additional homes until existing PCCLT housing stock has been rehabilitated and sold to qualified buyers. After homes have been sold and additional program income has been generated, the City will determine whether or not there will be enough funds to purchase additional homes.

In addition to the 3 addresses stated above, the PCCLT has 1 home that is in rehabilitation phase. Address is:

1796 N. Chardonnay Drive, Tucson, AZ 85746

There were no homes sold by PCCLT during the last quarter.

The 25% Set-aside for individuals/families at or below 50% AMI has been exceeded. Program Income is being monitored so that additional rental units can be purchased when required. Rental units are assigned to the City of

Tucson's EI Portal rental program. Units are currently available for rent to tenants at or below 50% AMI. There are 7 rental units, with 1 unit that was occupied in October. Beneficiary data is included in this report.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Administration	\$0.00	\$214,777.08	\$176,698.35
0002, Acquisition/Rehab for Rental	\$0.00	\$650,942.75	\$584,236.65
0003, Acquisition/Rehab for Resale	\$0.00	\$1,818,051.17	\$1,187,114.25
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



Activities

Project # / Title: 0001 / Administration

Grantee Activity Number: 9123

Activity Title: NSP3 Administration

Activity Category:

Administration

Project Number:

0001

Projected Start Date:

03/09/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Tucson2

Overall

Total Projected Budget from All Sources

Oct 1 thru Dec 31, 2014

N/A

To Date

\$214,777.08

Total Budget

\$0.00

\$214,777.08

Total Obligated

\$0.00

\$214,777.08

Total Funds Drawdown

\$6,972.71

\$187,817.47

Program Funds Drawdown

\$0.00

\$176,698.35

Program Income Drawdown

\$6,972.71

\$11,119.12

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$8,416.40

\$196,233.87

City of Tucson2

\$8,416.40

\$196,233.87

Match Contributed

\$0.00

\$0.00

Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

Location Description:

Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

Activity Progress Narrative:

Administration expenditures for this quarter totaled \$8,416.40, and will be drawn in the next quarter.

Previous quarter's expenditures of \$6,972.71 were drawn this quarter, and cover the salaries and fringe benefits of staff who work on the NSP3 grant program.

Please note: Activity Description for NSP3 Administration shall be corrected to cover 10% administrative cost, which should be

\$214,777.08, not \$208,377.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Project # / Title: 0002 / Acquisition/Rehab for Rental

Grantee Activity Number: 9540

Activity Title: Acquisition Rehab for Rental

Activity Category:

Disposition

Project Number:

0002

Projected Start Date:

03/09/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehab for Rental

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Tucson - El Portal Rental Program, managed by The

Overall

Total Projected Budget from All Sources

Total Budget

Oct 1 thru Dec 31, 2014

N/A

\$0.00

To Date

\$650,942.75

\$650,942.75



Total Obligated	\$0.00	\$600,000.00
Total Funds Drawdown	\$0.00	\$587,164.70
Program Funds Drawdown	\$0.00	\$584,236.65
Program Income Drawdown	\$0.00	\$2,928.05
Program Income Received	\$5,130.13	\$27,758.54
Total Funds Expended	\$0.00	\$587,164.70
City of Tucson - El Portal Rental Program, managed by The	\$0.00	\$587,164.70
Match Contributed	\$0.00	\$0.00

Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. approximately 4 homes will be transferred to the City's El Portal program for permanent rental

Location Description:

The target area that is proposed for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

- >
- >The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:
- >
- >It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:
- >
- >• The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);
- >• The proximity to the University of Arizona.
- >• The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.
- >• The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;
- >• The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Progress Narrative:

There were no expenditures during this quarter, but program income in the amount of \$5,130.13 was received by the City of Tucson's El Portal rental program.

Please note: The Action Plan for this activity currently states: "Proposed budget is \$520,942.75." Upon approval of this QPR, Action Plan will be updated to read: "Proposed budget is \$650,942.75."

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	9/4

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	5/4



Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	1	0	1	10/4	0/0	10/4	100.00
# Renter Households	1	0	1	10/4	0/0	10/4	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
---------	------	--------	-------	-----	-----------------

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Project # / Title: 0003 / Acquisition/Rehab for Resale

Grantee Activity Number: 9541

Activity Title: Acquisition Rehab Resale

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

0003

Projected Start Date:

03/09/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab for Resale

Projected End Date:

03/09/2014

Completed Activity Actual End Date:

Responsible Organization:

Pima County Community Land Trust (PCCLT)5

Overall

Total Projected Budget from All Sources

Total Budget

Total Obligated

Total Funds Drawdown

Program Funds Drawdown

Program Income Drawdown

Oct 1 thru Dec 31, 2014

N/A

\$136,000.17

\$119,562.54

\$1,955.07

\$0.00

\$1,955.07

To Date

\$1,818,051.17

\$1,818,051.17

\$1,798,008.22

\$1,425,523.31

\$1,187,114.25

\$238,409.06



Program Income Received	\$114,432.41	\$501,255.76
Total Funds Expended	\$47,669.33	\$1,473,192.64
Pima County Community Land Trust (PCCLT)5	\$47,669.33	\$1,473,192.64
Match Contributed	\$0.00	\$0.00

Activity Description:

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. By selling these homes through the Pima County Community Land Trust, the homes are occupied as soon as possible, eliminating the vacant property issue for neighborhoods. We will purchase the homes at not less than one-percent below appraised value and sell them at market value, which helps stabilize housing prices in these neighborhoods. The Pima County Community Land Trust homes will be leased for a period of 99 years, which is automatically renewable for a second 99 year period.

Location Description:

The target area for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

>

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

>

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

>

>• The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);

>• The proximity to the University of Arizona.

>• The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.

>• The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;

>• The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Progress Narrative:

Expenditures for this quarter totaled \$47,669.33 which will be drawn during the next quarter.

Previous quarter's expenditures of \$1,955.07 were for rehabilitation work completed during last quarter, but drawn this quarter.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	9/12

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	9/12
# of Singlefamily Units	0	9/12



Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/0	9/12	0.00
# Owner Households	0	0	0	0/0	0/0	9/12	0.00

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	